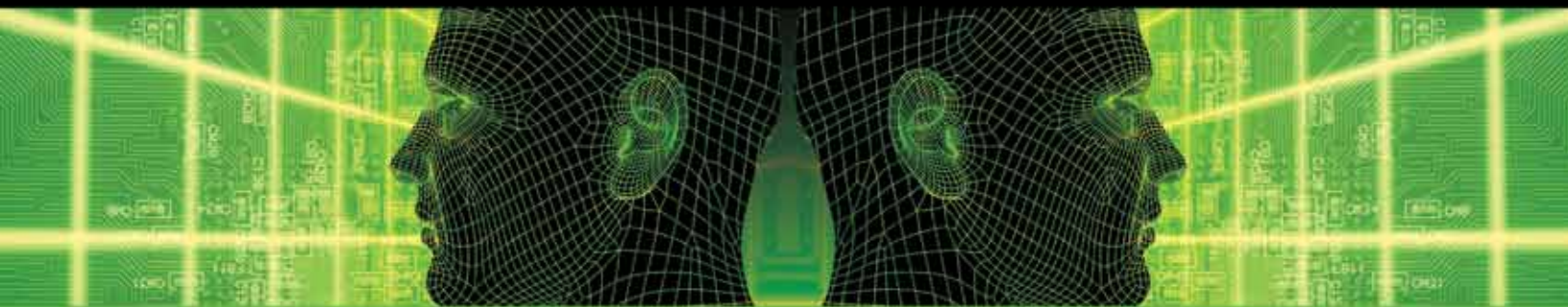




DIGITAL ENTERTAINMENT & EMERGING MEDIA



MARYLAND'S DIGITAL MEDIA INDUSTRY | SIZE, SCOPE & ECONOMIC IMPACT



MARYLAND'S DIGITAL MEDIA INDUSTRY | SIZE



As home to pioneers of the computer gaming industry, Maryland has long been recognized as a major hub for game development and interactive technology. In addition to the successes in digital entertainment, Maryland is also home to companies excelling in digital modeling, simulation and serious games for application in the defense, medical, education and training industries.

While companies specializing in e-commerce, web design, animation, audio and interactive technology are growing in the state, Maryland's primary, secondary and higher academic institutions are educating the next generation of digital innovators.

This report focuses upon Maryland's digital media industry, which forms an important aspect of the New Economy. The industry is closely aligned with technically proficient members of the creative class and includes custom computer programming services (including computer and video game development), software publishing and related segments. Analysts define digital media as representing media that can be delivered electronically and includes activities such as:

- E-commerce
- Electronic games played online, social web sites, mobile devices, or video game consoles
- Internet publishing of books, music and videos
- Mobile communication including cell phones and GPS navigation
- Online education
- Video conferencing
- Accessing film, television and videos on the Internet
- Web design and development

The following chart provides detail regarding the economic segments included in this analysis. Custom computer programming services comprise the bulk of local industry employment.

Definition of Digital Media Industry

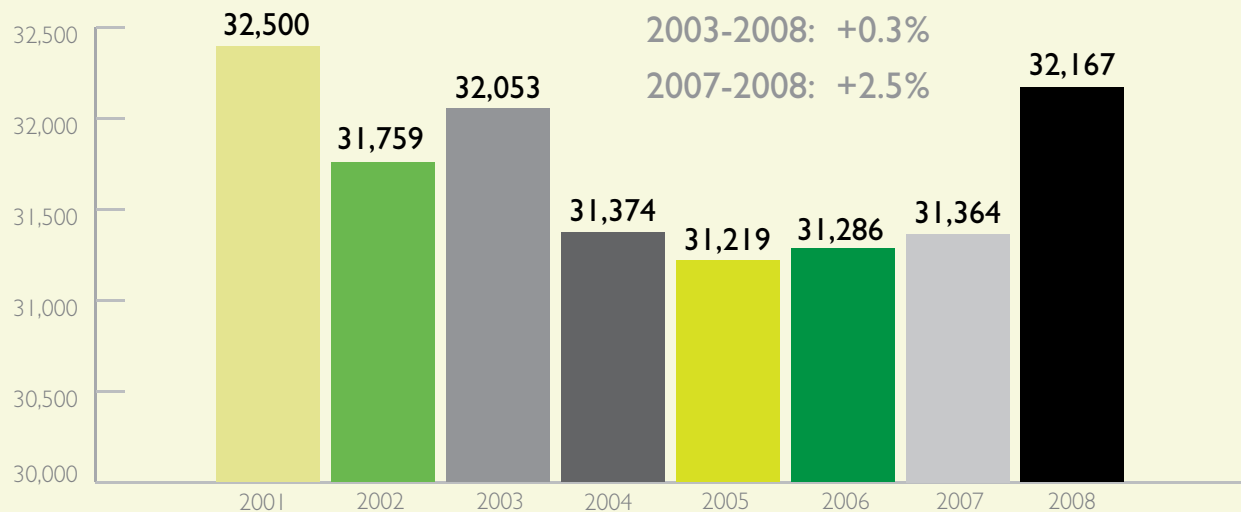
NAICS Code (6 digit level)	Industry Description	Maryland Employment 2008
541511	Custom Computer Programming Services	23,561
423430	Computer and Computer Peripheral Equipment and Software Merchant Wholesalers	5,825
511210	Software Publishers	2,013
454111	Electronic Shopping	717
454112	Electronic Auctions	51

Source: Bureau of Labor Statistics/Sage Policy Group, Inc./Industry definitions supplemented by Economic Research Associates

The industry is characterized by growth over time and extremely high wages. For instance:

- Digital media is a \$5.5 billion industry in Maryland. Once the multiplier effect is considered, the industry is associated with \$15 billion in economic activity in Maryland each year
- In fiscal year 2008, Maryland's digital media industry contributed more than \$1 billion to State and local government in tax revenue
- Industry employment in Maryland has expanded in every year since 2005
- By 2008, average annual pay in Maryland's digital media industry exceeded \$100,000, rising 26 percent from its 2003 level while wages increased 16 percent nationally
- Maryland is home to one of the nation's leading clusters of computer and video game companies, with many of them located in Baltimore and Montgomery counties

SCOPE & ECONOMIC IMPACT



Digital Media Direct Industry Employment in Maryland, 2001-2008

Source: Bureau of Labor Statistics/Sage Policy Group, Inc.

Economic Impact of Digital Media Industry in Maryland in 2008

Type of Impact	Employment	Labor Income (\$millions)	Business Sales (\$millions)
Direct	32,167	\$8,641.5	\$5,504.5
Indirect	14,249	\$715.9	\$2,106.3
Induced	54,638	\$2,344.4	\$7,153.8
Total	101,054	\$11,701.8	\$14,764.6

Source: Sage Policy Group, Inc.

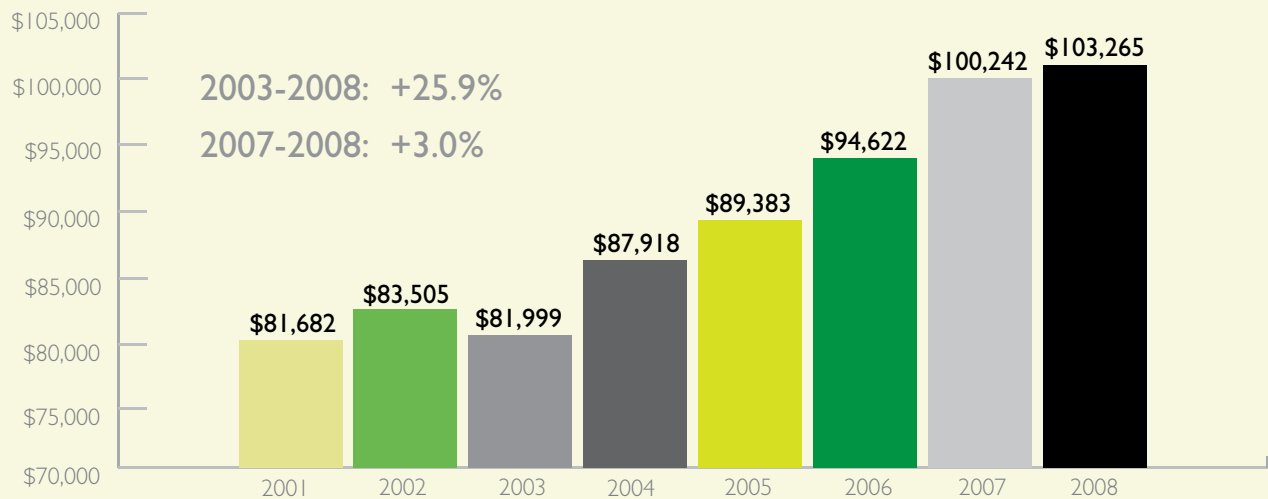
Fiscal Impact of Digital Media Industry in Maryland in 2008

Type of Fiscal Impact	Revenue (\$ millions)
Local Income Tax Revenue	\$210.3
Local Property Tax Revenue	\$258.5
State Income Tax Revenue	\$219.1
State Property Tax Revenue	\$28.7
State Sales Tax Revenue	\$280.6
Corporate Profits Tax Revenue	\$23.5
Total State/Local Tax Revenue	\$1,020.7

Source: Sage Policy Group, Inc.

FISCAL IMPACTS | In fiscal year 2008, the digital media industry contributed more than \$1 billion to State and local government revenue in Maryland. Of this total, more than half went to the State of Maryland while the balance went to local governments in the form of local income and property taxes.

Executive Summary highlights key findings from the Sage Policy Group Report, May 2010 commissioned by the Maryland Department of Business & Economic Development to quantify and monitor Maryland's digital media industry.



Digital Media Industry Average Annual Pay in Maryland, 2001-2008

Source: Bureau of Labor Statistics

A Look at the Computer and Video Game Industry

The concentration of the computer and video game development industry continues to expand in Maryland. Much of this activity is centered in Baltimore County, though significant company presence is also apparent in Montgomery County and other portions of Central and Southern Maryland.

The industry is not only a focus of interest in Maryland because of its size, but also because of its implications for other key Maryland industries. Maryland continues to see the significant contributions the entertainment software industry makes to other sectors of the economy such as health care, education, human resources and defense. Increasingly, these sectors are using serious games and game technology to train the military, physicians, emergency medical personnel as well as provide workforce training.

National Salaries per years of experience and position in the computer and video game industry (2007)

Occupation	Years of Experience		
	0-3	3-6	6+
Art Director	N/A	\$81,071	\$102,806
Artist & Animator	\$43,657	\$59,452	\$74,335
Associate Producer	\$46,667	\$55,833	\$65,147
Creative Director / Lead Designer	N/A	\$60,833	\$93,611
Executive Producer	N/A	\$93,611	\$125,000
Game Designer	\$46,208	\$54,716	\$74,688
Lead Artist	\$40,417	\$68,041	\$84,236
Lead Programmer	\$80,833	\$111,250	\$128,676
Producer / Project Lead	\$62,500	\$67,500	\$89,184
Programmer / Engineer	\$57,665	\$75,070	\$94,525
Technical Director	\$75,761	\$77,418	\$103,409
Writer	\$51,731	\$59,167	\$52,500

Source: Game Career Guide

THE BROOKINGS INSTITUTE | Robert W. Crandall and J. Gregory Sidak of the Brookings Institute report that, “this market will have a ripple effect and spread technological innovations to other industries”.

To view the complete report visit:

www.ChooseMaryland.org/aboutdbed/Pages/strategicplans.aspx

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